



Order Filed on December 23, 2019
by Clerk
U.S. Bankruptcy Court
District of New Jersey

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW JERSEY
Caption in compliance with D.N.J. LBR 9004-2(c)

FOX ROTHSCHILD LLP

(Formed in the Commonwealth of Pennsylvania)

Michael J. Viscount, Jr., Esquire

Martha B. Chovanes, Esquire

1301 Atlantic Avenue, Suite 400

Atlantic City, NJ 08401

(609) 348-4515/fax (609) 348-6834

mviscount@foxrothschild.com

mchovanes@foxrothschild.com

*Counsel to the Debtor and
Debtor in Possession*

In re:

KLINE CONSTRUCTION CO., INC.¹,

Debtor.

Chapter 11

Case No. 19-25757

Judge: Honorable Jerrold N. Poslusny, Jr.

Hearing Date: December 19, 2019

Recommended Local Form: ☐ Followed ☒ Modified

ORDER CONVERTING CASE TO CHAPTER 7

The relief set forth on the following pages numbered 2 through 4, is hereby **Ordered**.

DATED: December 23, 2019

A handwritten signature in dark ink, appearing to read "Jerrold N. Poslusny, Jr.", is written over a horizontal line.

Honorable Jerrold N. Poslusny, Jr.
United States Bankruptcy Court

¹ The last four digits of Debtor's federal tax identi

Debtor: Kline Construction Co., Inc.
Case No. 19-25757-JNP
Caption: Order Converting Case to Chapter 7
Page 2 of 4

Upon the motion of the Debtor for conversion pursuant to 11 U.S.C. §1112(a) (the “Motion”), and stated orally under B.R. 9013, at an omnibus hearing on December 19, 2019, in the presence of counsel for the Acting United States Trustee, the Unsecured Creditors Committee, Magyar Bank, Prestige Capital Finance, LLC (“Prestige”), Selective Insurance Company of America (“Selective”) and other parties whose appearances are set forth on the record of the proceedings, and no objection having been expressed; there being adequate notice under the circumstances; and for good cause shown, it is:

ORDERED that the Motion is granted, and this case shall be converted from chapter 11 to chapter 7 effective at 9:00 a.m. local time in Galloway Township, New Jersey on Monday, December 23, 2019; and it is further

ORDERED that the United States Trustee shall immediately appoint a chapter 7 trustee in this case upon the conversion being effective at 9:00 a.m. on December 23, 2019; and it is further

ORDERED that that within 14 days of the date of this Order the Debtor shall file:

- Amendments to previously filed schedules and statements, as necessary,
- All schedules and statements required by 11 U.S.C. § 521(a), if such documents have not already been filed,
- A schedule of all property which was acquired after the commencement of the case, but before the entry of this order,
- A schedule of executory contracts and unexpired leases entered into or assumed after the commencement of the case, but before the entry of this order,

Debtor: Kline Construction Co., Inc.
Case No. 19-25757-JNP
Caption: Order Converting Case to Chapter 7
Page 3 of 4

- A schedule of unpaid debts incurred after the commencement of the case, but before entry of this order; and it is further

ORDERED that the Debtor shall:

- Immediately turn over to the chapter 7 trustee, all records and property of the estate in his/her custody or control, and
- Within 120 days of the date of this order, file a Final Report including an accounting of all receipts and distributions or a statement indicating why the report cannot be filed, and it is further

ORDERED that the Court's Fifth Interim Order Approving DIP Purchase and Sale Agreement and Authorizing Debtor to Obtain Financing from Prestige Capital Corporation and to use Cash Collateral [Dkt. No. 222] is hereby extended on the same terms and provisions set forth therein to permit the short term funding of the Debtor by sale of accounts to Prestige and use of cash collateral (a) to make payroll for two pay cycles, (b) to pay employees deemed by the chapter 7 trustee to be necessary to transition the case to a chapter 7 subject to Magyar Bank's approval on a weekly basis, which approval has been given for the week of December 23, 2019, (c) to secure the property of the estate, subject to Magyar Bank's approval of costs, and (d) to pay such other amounts for such other purposes as are approved by Magyar Bank; provided that there shall be no expenditure of the proceeds of accounts receivable of bonded jobs without the consent of Selective, and it is further

ORDERED that the Debtor shall not be required to relocate vehicles, equipment and other moving stock from regular storage areas, but is authorized to relocate and/or relinquish possession

Debtor: Kline Construction Co., Inc.

Case No. 19-25757-JNP

Caption: Order Converting Case to Chapter 7

Page 4 of 4

of vehicles and equipment upon request of interested parties Caterpillar Financial Services Corporation, John Deere, PACCAR and/or Magyar Bank in the event that funds to do so are made available by creditors and contract counterparties having an interest therein, or otherwise under terms which are beneficial to the Debtor in the exercise of its business judgment, and it is further

ORDERED that this Order is and shall be effective upon its entry.